

Issue 119: INSIDER'S EDGE: Reasonable Compatibility Revisited

For the last couple of weeks, we've looked at how pay stubs can be used to satisfy income verifications. But that's not the full story!

As part of the August 29th release, the Maryland Automated Benefits System (MABS) Interface was added to Maryland Health Connection as the primary source of income verifications for Medicaid applications. MABS is maintained by the Maryland Department of Labor, Licensing and Regulation (DLLR), and it processes and pays unemployment claims. The MABS interface will add current income data to the eligibility process for faster and more accurate eligibility determinations. MABS data in Maryland Health Connection is updated on a quarterly basis.

We've also changed how the reasonable compatibility standard is applied. This will change the analysis the system (and assistance workers!) complete when reviewing the income of applicants who appear to qualify for Medicaid in an important way.

The Basics: Reasonable Compatibility

When a consumer applies, s/he provides income information on the application (referred to as attesting to his/her income). Income attestation is checked against federal and state data sources. The attested income is verified if the difference between attestation and data sources is reasonably compatible.



*Reasonable compatibility? Kind of like peanut butter and jelly!
Although not identical, they are pretty darn close.*

Attestation and data sources are considered reasonably compatible if the difference or discrepancy does not impact the eligibility of the consumer. In Maryland, we give a consumer 10% “wobble room” between the amount s/he states as income and what our databases say is his/her income without asking for paper verification. This means that as long as a consumer's reported income is not more than 10% different than what our database indicates, his/her application can be approved.

What's Changing: New Rules for Medicaid

If a consumer attests to an income below the Medicaid threshold and MABS or the federal data services hub (FDSH) returns an income value below the threshold, the system will return a verified VCL (“verification check list”) even if there is more than a 10% difference.

The chart below includes a brief explanation of how the rule looks in action.

Self-Attested Income Amount	Amount returned by MABS/FDSH	Difference	Result
At or below Medicaid threshold	At or below Medicaid threshold	≤10%	Eligible for Medicaid, No VCL
At or below Medicaid threshold	At or below Medicaid threshold	≥10%	Eligible for Medicaid, No VCL
At or below Medicaid threshold	Above Medicaid threshold	≤10%	Eligible for Medicaid, No VCL
At or below Medicaid threshold	Above Medicaid threshold	≥10%	Medicaid status “pending”; VCL triggered
Above Medicaid threshold	At or below Medicaid threshold	≤10%	QHP eligible, No VCL
Above Medicaid threshold	At or below Medicaid threshold	≥10%	QHP eligible, VCL triggered
Above Medicaid threshold	Above Medicaid threshold	≤10%	QHP eligible; No VCL
Above Medicaid threshold	Above Medicaid threshold	≥10%	QHP eligible, VCL triggered

A Quick Scenario



Insiders, meet the aptly named Allie Applicant.

Allie just applied for benefits using Maryland Health Connection. In her application, she indicates that her monthly income is \$1,040. **But** data from MABS indicates that Allie makes \$1,300/month.

Those numbers are pretty different! So what happens now?

As a single adult, Allie can make up to \$1,354 a month (138% of the federal poverty level) and qualify for Medicaid. To be within the 10% “wobble room” permitted under the reasonable compatibility rules, the amount MABS reports as Allie’s monthly income should not exceed \$1,144/month (\$1040 + \$104 (10% of \$1040)). However, even though there is more than a 10% difference between what Allie attested and what MABS returned, a VCL won’t be triggered and Allie can enroll in Medicaid today.

Why? Because under the new rules, so long as a consumer's attestation and what is returned by MABS or FDSH are *below* the Medicaid eligibility threshold, the individual can enroll in Medicaid.

Additional Resources

- Verification workers should consult *Verification Worker Quick Reference Guide—Verification Checklist-Income* for more information on processing Income VCLs and calculating reasonable compatibility.
- [*Issue 13: INSIDER'S EDGE: You're the peanut butter to my jelly! Hello, Reasonable Compatibility*](#)
- [*Issue 117: INSIDER'S EDGE: Income Verifications—2 is a Magic Number*](#)
- [*Issue 118: INSIDER'S EDGE: Income Verifications—Calculating Monthly Income from a Pay Stub*](#)

See you next week. Questions? Send them to dhmh.medicaidmarge@maryland.gov.